



M E D I A R E L E A S E

STATE OF TENNESSEE
BUREAU OF TENNCARE

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TENNCARE TACKLES *DANIELS* LEGAL CONSTRAINT PREVENTS ELIGIBILITY CHECK FOR LARGE GROUP OF ENROLLEES

NASHVILLE— TennCare announced today that it will ask the federal court to lift a long-standing injunction that currently operates to prevent about 154,000 TennCare recipients from undergoing the annual eligibility check mandatory for all other TennCare enrollees. The injunction, entered in 1987 in a case known as *Daniels*, invalidated the old Medicaid program's process for checking the Medicaid eligibility of a particular group of enrollees and has resulted in the State Comptroller repeatedly citing TennCare for allowing potentially ineligible enrollees to remain on the program.

"Identifying current enrollees who are truly eligible and ensuring that they remain on TennCare is a primary goal of this process," said Darin Gordon, TennCare Director. "Having just completed our 2007 audit process with the Comptroller's office, TennCare expects to see this audit finding repeated for the eighth consecutive year and that is completely unacceptable. With a proven re-verification process today that did not exist when the injunction was entered twenty years ago, it is now time to take responsible action to resolve this audit finding."

The State's motion, expected to be filed in a few weeks, will request that the federal court approve the application of TennCare's eligibility re-determination process to these TennCare recipients and vacate the injunction that effectively prevents TennCare from re-verifying the eligibility of this select group of enrollees.

These enrollees, known as the *Daniels* class, at one time received SSI cash benefits from the federal government and therefore automatically qualified for Medicaid, or TennCare. Because of the injunction, a *Daniels* class member, who no longer receives SSI benefits making him no longer eligible for that category of mandatory Medicaid, nevertheless continues to have TennCare even though he may in fact be ineligible for Medicaid in any other category. This includes class members who are residents of other states, are incarcerated or earn too much money to otherwise qualify for the program.

"At its core, this is a fundamental issue of fairness," said Gordon. "Without change, we have an ever-growing group of individuals that will continue to be treated differently from, and more favorably than, all other TennCare enrollees who must complete eligibility re-verification annually. "

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With court approval, TennCare will be able to re-determine *Daniels* class members' eligibility, moving eligible class members into an appropriate Medicaid category, and removing ineligible class members from TennCare's rolls.

TennCare estimates that, of the 154,000 *Daniels* class members, there are at least 1,100 prison inmates who are on TennCare and protected by the *Daniels* injunction. Another 5,000 individuals, who are likely residents of another state, also cannot be removed from the TennCare rolls because of *Daniels*. The *Daniels* class grows every year as enrollees lose their SSI benefits.

Once the State's motion is filed, the federal court has broad discretion over when and how it will rule in the matter.

TennCare is Tennessee's managed-care Medicaid program serving approximately 1.2 million low-income children, pregnant women and disabled Tennesseans, with an annual budget of \$7 billion. For more information about TennCare, visit www.tennessee.gov/tenncare.

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